Stella-Jones Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)
June 30, 2026 and 2025

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

(in millions of Canadian dollars)

	Note	As at June 30, 2026	As at December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		138	44
Accounts receivable		411	262
Inventories		1,552	1,653
Income taxes receivable		12	19
Other current assets		43	41
		2,156	2,019
Non-current assets			
Property, plant and equipment		1,140	1,116
Right-of-use assets		285	288
Intangible assets		236	243
Goodwill		449	434
Other non-current assets		23	17
		4,289	**4,117**
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		169	153
Income taxes payable		1	—
Deferred revenue		14	—
Current portion of long-term debt	3	139	37
Current portion of lease liabilities		67	63
Current portion of provisions and other long-term liabilities	4	21	20
		411	273
Non-current liabilities			
Long-term debt	3	1,207	1,302
Lease liabilities		233	240
Deferred income taxes		213	218
Provisions and other long-term liabilities	4	42	45
		2,106	2,078
Shareholders' equity			
Capital stock	6	189	187
Contributed surplus		6	5
Retained earnings		1,749	1,681
Accumulated other comprehensive income		239	166
		2,183	2,039
		4,289	**4,117**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Change in Shareholders' Equity

(Unaudited)

For the six-month periods ended June 30, 2026 and 2025

(in millions of Canadian dollars)

				Accumulated other comprehensive income				
	Capital stock	**Contributed surplus**	**Retained earnings**	**Foreign currency translation adjustment**	**Translation of long-term debts designated as net investment hedges**	**Unrealized gains on cash flow hedges**	**Total**	**Total shareholders' equity**
Balance – January 1, 2026	**187**	**5**	**1,681**	**269**	**(110)**	**7**	**166**	**2,039**
Comprehensive income (loss)								
Net income	—	—	121	—	—	—	—	121
Other comprehensive income (loss)	—	—	(1)	78	(5)	—	73	72
Comprehensive income (loss)	—	—	120	78	(5)	—	73	193
Dividends on common shares	—	—	(37)	—	—	—	—	(37)
Settlement of equity-settled grants	1	(1)	—	—	—	—	—	—
Equity-settled share-based payments expense	—	2	—	—	—	—	—	2
Employee share purchase plans	2	—	—	—	—	—	—	2
Repurchase of common shares including related taxes (note 6)	(1)	—	(15)	—	—	—	—	(16)
	2	1	(52)	—	—	—	—	(49)
Balance – June 30, 2026	**189**	**6**	**1,749**	**347**	**(115)**	**7**	**239**	**2,183**

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Change in Shareholders' Equity (*Continued)*

(Unaudited)

For the six-month periods ended June 30, 2026 and 2025

(in millions of Canadian dollars)

				Accumulated other comprehensive income				
	Capital stock	**Contributed surplus**	**Retained earnings**	**Foreign currency translation adjustment**	**Translation of long-term debts designated as net investment hedges**	**Unrealized gains (losses) on cash flow hedges**	**Total**	**Total shareholders' equity**
Balance – January 1, 2025	188	—	1,498	367	(127)	15	255	1,941
Comprehensive income (loss)								
Net income	—	—	199	—	—	—	—	199
Other comprehensive income (loss)	—	—	—	(105)	17	(5)	(93)	(93)
Comprehensive income (loss)	—		199	(105)	17	(5)	(93)	106
Dividends on common shares	—	—	(34)	—	—	—	—	(34)
Equity-settled share-based payments expense	—	2	—	—	—	—	—	2
Employee share purchase plans	1	—	—	—	—	—	—	1
Repurchase of common shares including related taxes	(1)	—	(34)	—	—	—	—	(35)
	—	2	(68)	—	—	—	—	(66)
Balance – June 30, 2025	188	2	1,629	262	(110)	10	162	1,981

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Income
(Unaudited)

(in millions of Canadian dollars, except earnings per common share)

	Note	For the three-month periods ended June 30, 2026	2025	For the six-month periods ended June 30, 2026	2025
Sales		**1,042**	**1,034**	**1,833**	**1,807**
Expenses					
Cost of sales (including depreciation and amortization (3 months - $34 (2025 - $31) and 6 months - $68 (2025 - $63))		856	828	1,492	1,433
Selling and administrative (including depreciation and amortization (3 months - $6 (2025 - $3) and 6 months - $11 (2025 - $7))		57	55	119	105
Impairment of assets and restructuring costs	9	32	—	32	—
Gain on insurance settlement	10	—	—	—	(28)
Other losses (gains), net		2	(4)	(2)	(1)
		947	879	1,641	1,509
Operating income		**95**	**155**	**192**	**298**
Financial expenses		14	14	31	34
Income before income taxes		**81**	**141**	**161**	**264**
Income tax expense					
Current		24	25	51	53
Deferred		(4)	10	(11)	12
		20	35	40	65
Net income		**61**	**106**	**121**	**199**
Basic earnings per common share	6	**1.12**	**1.91**	**2.22**	**3.58**
Diluted earnings per common share	6	**1.12**	**1.91**	**2.21**	**3.58**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions of Canadian dollars)

	For the three-month periods ended June 30, 2026	2025	For the six-month periods ended June 30, 2026	2025
Net income	61	106	121	199
Other comprehensive income (loss)				
Items that may subsequently be reclassified to net income				
Gains (losses) on translation of financial statements of foreign operation	43	(104)	78	(105)
(Losses) gains on translation of long-term debt designated as hedges of net investment in foreign operations	(3)	17	(5)	17
Change in fair value of derivatives designated as cash flow hedges	—	(3)	—	(7)
Income tax on change in fair value of derivatives designated as cash flow hedges	—	1	—	2
Items that will not subsequently be reclassified to net income				
Remeasurements of post-retirement benefit obligations	(1)	—	(1)	—
	39	(89)	72	(93)
Comprehensive income	100	17	193	106

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stella-Jones Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(in millions of Canadian dollars)

	Note	For the three-month periods ended June 30, 2026	2025	For the six-month periods ended June 30, 2026	2025
Cash flows from (used in)					
Operating activities					
Net income		61	106	121	199
Adjustments for					
Depreciation of property, plant and equipment		16	13	30	27
Depreciation of right-of-use assets		16	17	34	34
Amortization of intangible assets		8	4	15	9
Stock-based compensation		(14)	(5)	(5)	(2)
Financial expenses		14	14	31	34
Income tax expense		20	35	40	65
Impairment of assets	9	24	—	24	—
Gain on insurance settlement	10	—	—	—	(28)
Other		6	9	5	(8)
		151	193	295	330
Changes in non-cash working capital components					
Accounts receivable		(62)	(48)	(139)	(125)
Inventories		153	142	139	101
Other current assets		(8)	(7)	(9)	(4)
Accounts payable and accrued liabilities		4	—	15	(11)
Deferred revenue		(1)	—	14	—
		86	87	20	(39)
Interest paid		(9)	(9)	(32)	(34)
Income taxes paid		(36)	(47)	(44)	(49)
		192	**224**	**239**	**208**
Financing activities					
Net change in revolving credit facilities	3	(50)	(59)	—	78
Repayment of long-term debt	3	(8)	(59)	(17)	(95)
Repayment of lease liabilities		(17)	(16)	(34)	(33)
Dividends on common shares		(37)	(34)	(37)	(34)
Repurchase of common shares	6	—	(20)	(15)	(35)
		(112)	**(188)**	**(103)**	**(119)**
Investing activities					
Acquisition of other investments		—	—	(4)	—
Business combinations		(1)	(48)	(1)	(48)
Purchase of property, plant and equipment		(34)	(34)	(46)	(54)
Property insurance proceeds		—	26	2	26
Additions of intangible assets		(2)	(2)	(3)	(4)
Proceeds on disposal of assets		1	6	1	6
		(36)	**(52)**	**(51)**	**(74)**
Net change in cash and cash equivalents during the period		44	(16)	85	15
January 1, 2026 opening balance prior to restatement for amendments to IFRS 9		—	—	44	—
Adjustment on adoption for 2025 outstanding cheques on January 1, 2026		—	—	9	—
Cash and cash equivalents – Beginning of period		94	81	53	50
Cash and cash equivalents – End of period		**138**	**65**	**138**	**65**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1 Description of the Business

Stella-Jones Inc. (with its subsidiaries, either individually or collectively, referred to as the "Company") is a leading North American manufacturer of products focused on supporting infrastructure essential to the electrical distribution and transmission network, and the operation and maintenance of railway transportation systems. The Company supplies the continent's major electrical utility companies with treated wood poles and crossarms, steel lattice towers and steel transmission poles, as well as North America's Class 1, short line and commercial railroad operators with treated wood railway ties. The Company also supports infrastructure with industrial products, namely timbers for railway bridges, crossings and construction, marine and foundation pilings, and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant portion of the business devoted to servicing Canadian customers through its national manufacturing and distribution network. The Company has facilities across Canada and the United States and sells its products primarily in these two countries. The Company's headquarters are located at 3100 de la Côte-Vertu Blvd., in Saint-Laurent, Quebec, Canada. The Company is incorporated under the Canada Business Corporations Act, and its common shares are listed on the Toronto Stock Exchange ("TSX") under the stock symbol SJ.

2 Material Accounting Policies

Basis of presentation

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 5, 2026.

The same accounting policies, methods of computation and presentation have been followed in the preparation of these condensed interim consolidated financial statements as were applied in the annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the amendments to IFRS 9 and IFRS 7 regarding the Classification and Measurement of Financial Instruments, which did not have a material impact on the Company's condensed interim consolidated financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards.

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of Stella-Jones Inc. and its controlled subsidiaries. Intercompany transactions and balances between these companies have been eliminated. All consolidated subsidiaries are wholly owned. The significant subsidiaries within the legal structure of the Company are as follows:

Subsidiary	Parent	Country of incorporation
Stella-Jones U.S. Holding Corporation	Stella-Jones Inc.	United States
Stella-Jones Corporation	Stella-Jones U.S. Holding Corporation	United States

Changes in accounting policy

Effective January 1, 2026, the Company adopted the *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9 and IFRS 7. These amendments clarify when a financial asset or a financial liability is recognized and derecognized and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. The amendments also clarify the classification of financial assets with environmental, social and governance ("ESG")-linked features, non-recourse loans and contractually linked instruments, and introduce disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

As a result of these amendments, the Company has changed its accounting policy regarding the derecognition of trade payables settled by physical printed cheques. Previously, trade payables settled by cheque were derecognized at the date the cheques were issued. Under the revised policy, consistent with the clarifications provided by the amendments, such liabilities are now derecognized on the date the cheques are cleared by the bank. In addition, the Company has elected to derecognize financial liabilities settled through electronic payments prior to the settlement date when the Company loses practical ability to cancel such payments.

The amendments apply retrospectively. The adoption of these amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

Accounting standard not yet adopted

The following new standard was issued by the International Accounting Standards Board ("IASB") and was not yet adopted in preparing the condensed interim consolidated financial statements.

Presentation and Disclosure in Financial Statements – IFRS 18

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- improved comparability in the statement of income by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the statement of income; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company does not anticipate any material impact of the new standard on its annual and condensed interim consolidated financial statements.

3 Long-term Debt

(Amounts in millions of Canadian dollars)	Maturity date	As at June 30, 2026	As at December 31, 2025
Unsecured:			
Revolving credit facilities	2026-2030	433	427
Term loan facilities			
US$125, variable rate based on SOFR plus 1.725%	2028	178	171
US$89 (as at December 31, 2025 - US$100), fixed rates ranging from 3.27% to 4.47%, with quarterly amortization payments starting in 2026	2029-2030	126	137
US$25, fixed rate of 4.52%	2029	36	34
US$47.8, variable rate based on SOFR plus applicable margin	2030-2031	68	66
Senior notes			
$400, fixed rate of 4.312%	2031	400	400
US$75, fixed rate of 3.81%	2027	106	103
Other		—	2
		1,347	1,340
Deferred financing costs		(1)	(1)
		1,346	1,339
Less: Current portion of long-term debt		139	37
		1,207	1,302

In order to maintain in place the credit facilities and private placement senior notes with certain U.S. investors, the Company needs to comply with customary covenants, reporting requirements and financial ratios. As at June 30, 2026, the Company was in compliance with these covenants, requirements and ratios.

4 Provisions and Other Long-term Liabilities

(Amounts in millions of Canadian dollars)	As at June 30, 2026	As at December 31, 2025
Site remediation	34	28
Share-based payment liabilities	13	21
Deferred and contingent consideration	12	13
Others	4	3
	63	65
Less: Current portion of provisions and long-term liabilities	21	20
	42	45

5 Share-based Payments

The Company's share-based payment plans consist of the Treasury Share Unit Plan ("TSU Plan"), the Stock Unit Plan ("SUP") and deferred share units ("DSUs").

Treasury Share Unit Plan

Under the TSU Plan, restricted stock units ("TRSUs") and performance stock units ("TPSUs") granted to the President and Chief Executive Officer, Senior Vice-Presidents and Vice-Presidents (collectively "Executive Officers") are settled in shares, either issued from treasury or purchased on the open market, in cash or in a combination thereof, at the discretion of the Company. TPSUs granted vest based on the attainment of performance criteria and market conditions set out pursuant to the TSU Plan. TRSUs vest ratably over a period of three years and TPSUs vest three years after the grant date, subject to the participant's continued employment at time of vesting.

All awards made under the TSU Plan are considered equity-settled arrangements.

Changes in outstanding TRSUs during the six-month periods ended June 30, are as follows:

	2026	2025
TRSUs outstanding - Beginning of period	106,940	—
Granted	69,794	126,650
Vested	(35,641)	—
Forfeited	(7,348)	(3,634)
TRSUs outstanding - End of period	**133,745**	**123,016**
TRSUs vested but not settled - End of period	**4,380**	**—**

Changes in outstanding TPSUs during the six-month periods ended June 30, are as follows:

	2026	2025
TPSUs outstanding - Beginning of period	57,801	—
Granted	51,695	68,455
Forfeited	(5,727)	(1,964)
TPSUs outstanding - End of period	**103,769**	**66,491**

Stock Unit Plan

Under the SUP, restricted stock units ("RSUs") and performance stock units ("PSUs") are granted to eligible participants of the Company. RSUs and PSUs entitle the holders to receive a cash payment equal to the average closing price on the TSX of the Company's common shares for the five trading days preceding the vesting date. PSUs granted vest based on the attainment of performance criteria and market conditions set out pursuant to the SUP. RSUs vest ratably over a period of up to three years and PSUs are paid three years after the grant date, subject to the participant's continued employment at time of vesting.

All awards made under the SUP are considered cash-settled arrangements.

Changes in outstanding RSUs for the six-month periods ended June 30, are as follows:

	2026	2025
RSUs outstanding - Beginning of period	64,669	156,156
Granted	8,032	13,648
Vested and settled	(55,474)	(78,051)
Forfeited	(348)	(2,366)
RSUs outstanding - End of period	**16,879**	**89,387**

Changes in outstanding PSUs for the six-month periods ended June 30, are as follows:

	2026	2025
PSUs outstanding - Beginning of period	86,774	128,744
Granted	5,926	7,391
Performance multiplier	28,266	36,130
Vested and settled	(56,532)	(72,260)
Forfeited	(2,655)	(2,783)
PSUs outstanding - End of period	**61,779**	**97,222**

DSUs

DSUs entitle non-executive directors of the Company to receive a minimum participation amount in the form of DSUs and they may elect to participate in the DSU plan for all or a portion of their Board fees. Such deferred remuneration is converted to DSUs based on the average closing price of the Company's common shares on the TSX of the five trading

days immediately preceding the date such awards are granted to the non-executive directors. DSUs are settled for cash only after a non-executive director ceases to act as a director.
Additionally, the Company maintains a supplementary executive retirement plan that permits certain Executive Officers to receive DSUs.

Changes in outstanding DSUs for the six-month periods ended June 30, are as follows:

	2026	2025
DSUs outstanding - Beginning of period	82,798	71,457
Granted	20,689	11,341
Settled	(18,763)	—
DSUs outstanding - End of period	**84,724**	**82,798**

6 Capital Stock and Earnings Per Share

The following table provides the number of common shares outstanding for the six-month periods ended June 30:

	2026	2025
Number of common shares outstanding - Beginning of period	54,697,214	55,824,953
Common shares repurchased	(160,983)	(489,054)
Common shares issued under treasury share unit plan	13,713	—
Stock option exercised	—	5,000
Employee share purchase plans	17,683	18,874
Number of common shares outstanding - End of period	**54,567,627**	**55,359,773**

Capital stock

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

All issued shares are fully paid. The common shares provide for the right to receive notice of, attend and vote at all meetings of shareholders and receive dividends, subject to the prior rights of the preferred shares and any other shares ranking senior to the common shares. To date, the Company has not issued any preferred shares.

Normal Course Issuer Bid ("NCIB")

On November 4, 2025, the TSX accepted the Company's Notice of Intention to Make a NCIB to purchase for cancellation up to 1,500,000 common shares during the 12-month period commencing November 14, 2025 and ending November 13, 2026, representing approximately 2.7% of the common shares outstanding.

During the six-month period ended June 30, 2026, the Company repurchased for cancellation 160,983 common shares under its NCIB (June 30, 2025 – 489,054 under the NCIB then in effect) for a total consideration of $15 million (June 30, 2025 – $35 million), representing an average price of $93.17 per common share (June 30, 2025 – $71.56). For the six-month period ended June 30, 2026, the Company's capital stock was reduced by one million dollars (as at June 30, 2025 – one million dollars) and the retained earnings decreased by $15 million (as at June 30, 2025 – $34 million), including less than one million dollars of related taxes (as at June 30, 2025 – one million dollars).

Employee share purchase plans

The aggregate number of common shares reserved for issuance under the Company's employee share purchase plans is 1,300,000. The employees of the Company who are Canadian and U.S. residents are eligible to buy common shares from the Company, up to a maximum of 5% of their base annual salary, and the Company contributes an amount equal to 25% of the employee contributions.

Earnings per share

The following table provides the reconciliation, as at June 30, between basic earnings per common share and diluted earnings per common share:

(Amounts in millions of Canadian dollars, except per share amount)	**For the three-month periods ended June 30,**		**For the six-month periods ended June 30,**	
	2026	**2025**	**2026**	**2025**
Net income applicable to common shares	$61	$106	$121	$199
Weighted average number of common shares outstanding*	54,560	55,506	54,590	55,612
Effect of dilutive stock options and non-vested TRSUs and TPSUs*	73	29	88	24
Weighted average number of diluted common shares outstanding*	54,633	55,535	54,678	55,636
Basic earnings per common share	$1.12	$1.91	$2.22	$3.58
Diluted earnings per common share	$1.12	$1.91	$2.21	$3.58

* Number is presented in thousands.

7 Seasonality

The Company's operations follow a seasonal pattern, with utility products, railway ties and industrial products shipments strongest in the second and third quarters to provide industrial end-users with product for their summer maintenance projects. Residential lumber sales follow the same seasonal pattern. Inventory levels are typically highest in the first quarter in advance of the summer shipping season.

8 Segment Information

The Company operates within two business segments which are the production and sale of pressure-treated wood and the procurement and sales of logs and lumber. The reportable segments are managed independently as the operational processes and capital requirements are different.

The pressure-treated wood segment includes utility products, mainly wood utility poles, railway ties, residential lumber and industrial products.

The logs and lumber segment comprises the sales of logs harvested in the course of the Company's procurement process that are determined to be unsuitable for use as utility wood poles. Also included in this segment is the sale of excess lumber to local home-building markets. Assets and net income related to the logs and lumber segment are nominal.

Operating plants are located in six Canadian provinces and 17 American states. The Company also operates a large procurement and distribution network across North America.

Sales attributed to countries based on location of customer are as follows:

(Amounts in millions of Canadian dollars)	**For the three-month periods ended June 30,**		**For the six-month periods ended June 30,**	
	2026	**2025**	**2026**	**2025**
U.S.	731	734	1,368	1,369
Canada	311	300	465	438
	1,042	1,034	1,833	1,807

Sales by product are as follows:

(Amounts in millions of Canadian dollars)	**For the three-month periods ended June 30,**		**For the six-month periods ended June 30,**	
	2026	**2025**	**2026**	**2025**
Utility products	510	476	979	895
Railway ties	235	240	433	448
Residential lumber	234	246	310	334
Industrial products	45	46	78	85
Pressure-treated wood	1,024	1,008	1,800	1,762
Logs and lumber	18	26	33	45
	1,042	1,034	1,833	1,807

Property, plant and equipment, right-of-use assets, intangible assets and goodwill attributed to the countries based on location are as follows:

(Amounts in millions of Canadian dollars)	As at June 30, 2026	As at December 31, 2025
Property, plant and equipment		
U.S.	800	789
Canada	340	327
	1,140	1,116
Right-of-use assets		
U.S.	213	212
Canada	72	76
	285	288
Intangible assets		
U.S.	180	182
Canada	56	61
	236	243
Goodwill		
U.S.	428	413
Canada	21	21
	449	434

9 Impairment of Assets And Restructuring Costs

During the second quarter of 2026, the Company initiated a series of actions to consolidate its railway ties production footprint, including the decision to cease operations at certain manufacturing and procurement sites.

In connection with these actions, the Company recognized a non-cash impairment loss of $24 million, primarily relating to the write-down of production equipment at the affected sites to their recoverable amounts, determined based on fair value less costs of disposal.

The Company also recorded restructuring costs of eight million dollars, comprising six million dollars related to site clean-up activities and two million dollars in employee termination benefits.

The total charge of $32 million has been presented separately in the condensed interim consolidated statement of income under “Impairment of Assets and Restructuring Costs”.

10 Insurance Settlement

During 2025, the Company settled a claim with its insurer related to a fire event in 2023 at its Silver Springs, Nevada manufacturing facility for total proceeds, net of the deductible, of $53 million (US$37.5 million).

As a result of the settlement, in the first quarter of 2025 the Company recorded an insurance recovery for business interruption insurance losses of $10 million (US$7 million) as a reduction to “Cost of sales” and a gain on the property damage claim of $28 million (US$19.5 million) as “Gain on insurance settlement”. The remainder of the insurance settlement, $15 million (US$11 million), was used to reimburse the Company for the book value of damaged property, plant and equipment as well as clean-up and site remediation costs.

11 Subsequent Event

On August 5, 2026, the Board of Directors declared a quarterly dividend of $0.34 per common share payable on September 18, 2026 to shareholders of record at the close of business on September 3, 2026.